

RECEIVED
JUL 28 1988

DIVISION OF
OIL, GAS & MINING

Moab District
San Rafael Resource Area
900 North 700 East
Price, Utah 84501

3482
(U-49332)
(U-067)

JUL 26 1988

Kenneth S. Fleck
Geologist
Beaver Creek Coal Company
P.O. Box 1378
Price, Utah 84501

Dear Mr. Fleck:

Beaver Creek's amendment to the 1987 Trail Mountain Exploration Plan on Federal coal lease U-49332 to drill exploration hole TM-DH-4 is approved. This approval is based on the enclosed Forest Service's amended Environmental Assessment and Decision Notice of No Significant Impact. The approval is contingent on following the Forest Service's surface stipulations and the BLN's drilling stipulations issued in the 1987 drilling approval to Arch of Utah which you now control. One additional stipulation is required in the Forest Service document. Please take note. The processing of the exploration license U-64233 is proceeding under a separate environmental review by the Forest Service.

If you have any questions, please contact Stephen Falk or Neil Simmons of my staff.

Sincerely yours,

/S/ JAMES W. DRYDEN

Area Manager

Enclosure:
F.S. EA

cc: Manti-LaSal NF Supervisor's Office, Price, w/a encl.
U-068, Salt Lake, w/encl.
SD, Utah U-021, w/encl.
DH, Moab U-065, w/encl.

SFalk:sw:7/20/88
Wang 09240

United States
Department of
Agriculture

Forest
Service

Manti-LaSal
National Forest

599 West Price River Dr.
Price, Utah 84501

Reply to: 2820

Date: July, 6, 1988

11-04-10-0000

Mr. Gene Nodine
BLM - Moab District
P.O. Box 970
Moab, Utah 84532

Dear Mr. Nodine:

Enclosed is a copy of the Manti-LaSal National Forest Finding of No Significant Impact/Decision Notice (FONSI/DN) which covers Beaver Creek Coal Company's proposal to add Coal Exploration Hole TM-DH-4 to their 1988 coal exploration program (Amendment 1).

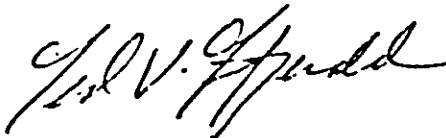
The FONSI/DN references the Manti-LaSal National Forest Environmental Assessment for Arch of Utah Inc. Trail Mountain Mine 1987 Coal Drilling Project, July 13, 1987. This EA covered holes TM-DH-1, TM-DH-2 and TM-DH-3 approved in 1987 and was sent to your office on July 13, 1987, with a FONSI/DN, as Forest Service consent for approval of the three-hole drilling project.

As discussed in the enclosed FONSI/DN, the referenced EA adequately covers the addition of the supplemental hole to the already approved coal drilling project. Forest Service consent to the addition of hole TM-DH-4 is subject to mitigations 1-38 discussed in the EA and one additional stipulation as discussed in the FONSI/DN.

Since Arch of Utah, Inc. did not drill the 3 holes in 1987 and Beaver Creek Coal Co. intends to drill them in 1988, the required Forest Service Road-Use and Special-Use Permits have been transferred to Beaver Creek Coal Co.

If you have any questions, please contact the Forest Supervisor's Office in Price, Utah, or the Ferron Ranger District Office in Ferron, Utah.

Sincerely,



for
GEORGE A. MORRIS
Forest Supervisor

Enclosure

cc: SRA (7/15/88)

Based on the analysis, authorizing actions, and evaluation described in the Environmental Assessment, it is my decision to select Alternative 2. This alternative would allow the drilling of one additional coal exploration well with Forest Service mitigations 1-38 discussed in the 1987 EA and one additional mitigation. The selected alternative permits the construction of access roads and drill locations, and the drilling of the already approved (1987) and additional holes. This is consistent with the Multiple Use Sustained Yield Act. It will be necessary to add one additional stipulation for this new hole. Access to this hole may damage some watershed improvement structures. The additional stipulation is:

Any damaged watershed treatment structures must be reconstructed and seeded with seed mix listed in stipulation #22.

It was determined that this is not a major Federal action that would significantly affect the quality of the human environment; therefore, an Environmental Impact Statement is not needed. This determination was made based on the following: (a) there were no significant irreversible or irretrievable commitments of resources; (b) there are no apparent adverse cumulative or secondary effects; (c) no known threatened or endangered species will be impacted; (d) floodplains will not be negatively affected; (e) there are no alluvial valley floors, prime or unique rangeland, timberland, farmland, known cultural or paleontological values, or wilderness that will be disturbed by this project; and (f) all identified issues and concerns have been effectively mitigated.

This decision is subject to appeal under Secretary of Agriculture Regulation 36 CFR 211.18. A written notice of appeal must be filed with this office within 45 days from the date of this decision.

Operations may begin when the operator has received approval from the BLM to commence drilling activities. The BLM and Forest Service will monitor drilling activities for compliance, although the BLM has the lead. The Forest Service has exclusive authority for enforcement of the associated road-use and special-use permits.

George Morris
for GEORGE MORRIS

Date

7/6/88

Forest Supervisor

DECISION NOTICE
AND
FINDING OF NO SIGNIFICANT IMPACT

BEAVER CREEK COAL COMPANY
TRAIL MOUNTAIN MINE
1988 COAL DRILLING PROJECT
AMENDMENT 1

On July 22, 1987, Arch of Utah received approval from BLM to drill three coal holes (TM-DH-1, TM-DH-2 and TM-DH-3) on Coal Lease U-49332 which is located on Trail Mountain. The holes were not drilled in 1987 and the Trail Mountain Mine changed ownership late in 1987 to Beaver Creek Coal Company. Beaver Creek Coal Company plans to drill those three holes in 1988 and have requested approval to drill an additional hole (TM-DH-4) on the lease. This additional hole is located in Section 35, T17S, R6E. (See Attached Map).

Leasing and development activities are conducted under the authority of the following authorizing actions: The Mineral Leasing Act of February 25, 1920 as amended; the Federal Land Policy Management Act (FLPMA) of 1976; the Surface Mining Control and Reclamation Act (SMCRA) of 1977; the Multiple Minerals Development Act of August 13, 1954; the National Environmental Operations Act of August 4, 1977; the National Environmental Policy Act (NEPA) of 1969; the Federal Coal Leasing Amendments Act of 1976, as amended; the Act of October 30, 1978 that further amended the Mineral Leasing Act of 1920; 43 CFR 3400, 43 CFR 2800, 30 CFR 700; and the Manti-LaSal National Forest Land and Resource Management Plan, November 5, 1986.

This proposal is to provide the proponent geologic information and coal quality data to maximize recovery of the coal resource found on Federal coal lease U-49332. In accordance with the National Environmental Policy Act, a scoping process has been completed and an Interdisciplinary Team has reviewed the proposal and made an analysis which is summarized in the Environmental Assessment (EA) which was prepared in 1987 for the three holes. This EA is referenced as the Environmental Assessment for Arch of Utah, Inc. Trail Mountain Mine 1987 Coal Drilling Project, USDA Forest Service, Manti-LaSal National Forest, completed on July 13, 1987. Page 2, of the EA, discusses the Issues, Concerns and Opportunities that were considered in making this decision. No additional Issues, Concerns or Opportunities were identified for the additional hole with the exception that the access road will cross contour furrows constructed for watershed treatment. The furrows must be repaired when the road and pad are reclaimed. Copies of the EA can be found at the Forest Supervisor's Office in Price, Utah, and at the Ferron Ranger District Office in Ferron, Utah.

Alternatives considered, as discussed on page 2-6 of the EA are: (1) Do Not Consent to the Drilling Program (No Action) and (2) Proposed Action with Forest Service Mitigations